

MEMO ENDORSED

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September 4, 2012

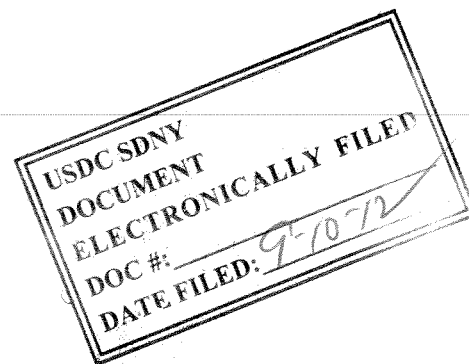
CG

(Facsimile Transmission - 4 Pages)

VIA FACSIMILE (914) 390-4170

Honorable Vincent L. Briccetti
United States District Judge
United States District Court
300 Quarropas Street, Room 630
White Plains, New York 10601

Re: Caruso Glynn, LLC v. SAI Trust
Case No.: 11 Civ. 4360 (VLB)
CG File No.: 88.071108.01



Dear Judge Briccetti:

In accordance with Your Honor's directives as set forth in the July 9, 2012 Memorandum Decision, please be advised that arbitration was commenced on July 31, 2012 with a filing of a Petition for Arbitration in accordance with Part 137 §3, sub-section H1(a) of the Rules of the Chief Administrator as agreed in the Stipulation to Arbitrate. However, the Program Administrator has now advised that the Fee Dispute program does not entertain fee disputes in excess of \$50,000.00 even in instances where the parties have an agreement to arbitrate. (Rule 137.1[b][2]). A copy of the letter from the Program Administrator has been enclosed.

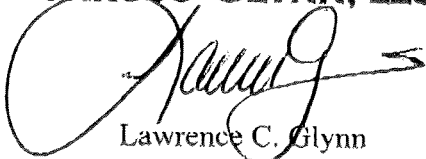
While SAI has advised the Program Administrator that it wishes to proceed with arbitration in that forum, we have advised the Eleventh Judicial District that we likewise intend to pursue our counterclaim of \$257,578.07¹ in a separate forum, and proposed that in the interest of judicial economy, it would make more sense to arbitrate all claims in one forum as opposed to piecemeal fashion. We are still awaiting a response from the Eleventh Judicial District in this regard.

¹ The amount rightfully earned by this firm under the contingency fee agreement.

Hon. Vincent L. Briccetti
September 4, 2012
page 2

In the event that the matter does proceed to arbitration in the Eleventh Judicial District for the amount SAI claims it owes under a time basis, and as the panel will be constrained from entertaining our counterclaim which exceeds \$50,000.00, we respectfully request that the Court order that either 1) the parties shall arbitrate this firm's counterclaim in a separate forum, or 2) that the stay in this matter be lifted so that we may proceed to litigate our counterclaim for the amount set forth in our Complaint.

Respectfully yours,

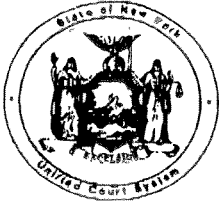
CARUSO GLYNN, LLC

Lawrence C. Glynn

LCG/
Enc.

cc: John J. Sullivan, Esq.
Hill Rivkins, LLP
45 Broadway, Suite 1500
New York, New York 10006
Via Facsimile (212) 669-0698

To the extent this letter seeks reconsideration of the Court's 7/9/12 Memorandum Decision, it is DENIED. The stay remains in effect. The parties are directed to provide a status report by letter to the Court by no later than 11/9/12.

So ordered:
Vincent L. Briccetti, U.S. J.
9/10/12



STATE OF NEW YORK
UNIFIED COURT SYSTEM
ELEVENTH JUDICIAL DISTRICT, SUPREME COURT
(OFFICE OF COURT ADMINISTRATION)
88-11 SUTPHIN BOULEVARD
JAMAICA, NEW YORK 11435
(718) 298-1100

RECEIVED
AUG 16 2012

BY:

A. GAIL PRUDENTI
Chief Administrative Judge

FERN A. FISHER
Deputy Chief Administrative Judge
New York City Courts

JEREMY S. WEINSTEIN
Administrative Judge
Civil Term
Eleventh Judicial District
Supreme Court

August 14, 2012

Caruso Glynn, LLC
53-04 193rd Street
Fresh Meadows, New York 11365

Re: Caruso Glynn, LLC and SAI Trust/Robert Membreno
Attorney/Client Fee Dispute Arbitration - Case No. 247

Dear Sirs:

I am in receipt of your Petition dated July 30, 2012. First, please be advised that the Fee Dispute program is not a court to which a party might petition for relief. The program is intended to provide for the "informal and expeditious" resolution of disputes. (Part 137 of the Rules of the Chief Administrator). Moreover, the program does not entertain fee disputes in excess of \$50,000. (Rule 137.1 [b][2]). It follows that you must pursue your claims for \$257,578.07 in attorney's fees in another venue.

Moreover, it appears from our records that a Client Request for Fee Arbitration was previously filed in this matter (Case No. 247) and the case has been inactive since July 30, 2010. The amount in dispute is also unclear inasmuch as your Notice of Client's Right to Arbitrate A Dispute Over Fees dated April 29, 2010 states an amount due of \$11,384.22, however your Attorney Response to Request for Fee Arbitration dated July 30, 2012 states an amount due of \$16,561.84.

In light of the foregoing, a copy of this letter will be forwarded to the client with a cover letter advising the client that if the Program does not receive notification within 15 days as to whether the client wishes to proceed on the Client Request which was filed on June 21, 2010 in this matter, our file will be closed. Should the client notify the Program that it elects to proceed, the matter will be assigned to a panel of arbitrators and a hearing date will be scheduled.

Very truly yours,

Maria Bradley

Maria Bradley, Esq.
Program Administrator
Part 137 Program
Eleventh Judicial District

cc: Mr. Robert Membreno, Trustee of SAI Trust
2072-B Walsh Avenuc
Santa Clara, California 95050

Mr. Robert Membreno, Trustee of SAI Trust
c/o Campeau Goodsell Smith
440 N. 1st Street, Suite 100
San Jose, California 95112-4024
